

*Providing sound insurance
advice and products since 1937.*



Protect your business against crime and fraud



Imagine opening the newspaper or navigating to your favorite Web site some morning and reading: A Superior Court jury convicted John Doe yesterday for embezzling \$1.5 million from his former longtime employer -- Gold Star Trucking.

Larry Silver, Gold Star owner and Doe's ex-brother-in-law, said he is happy with the guilty finding, but that he has no chance of recouping any of his losses because of a lack of appropriate insurance coverage and Doe's absence of assets.

Such scenarios happen frequently throughout the business world, especially with trusted employees and executives that concoct schemes involving everything from fictitious workers to dummy accounts. Businesses such as restaurants and bars are also vulnerable to theft of cash and merchandise by short- and long-term

workers. That exposure is why all businesses should carry crime and employee dishonesty liability coverage.

In general, crime coverage protects businesses against the loss of assets taken by burglary, robbery, theft, disappearance and destruction; and employee dishonesty coverage pays for losses caused by acts such as embezzlement and theft.

It's estimated that the average business loses 6 percent of its total annual revenue because of dishonest employees, which means that a company generating revenue of \$2 million per year might see as much as \$120,000 disappear because of crime or fraud.

In addition, studies show 1 in 4 employees has either committed or witnessed workplace fraud and abuse, and that 1 in 4 offenders has been with his or her company for more than 10 years. Of those who have witnessed a crime, just 1 in 3 has reported it.

Comprehensive crime insurance, which is also known as fidelity insurance, frequently includes coverage for employee theft, forgery, funds transfer fraud, computer fraud, money order and counterfeit currency fraud, credit card fraud, investigative costs, and the loss of money and securities while they are on your property or in transit. White collar crimes can cause businesses to fail, especially smaller firms that are struggling to turn a profit.

For more information about carry crime and employee dishonesty liability coverage, contact AIM at (401) 352-3000.